



Reprinted
April 8, 2015

ENGROSSED HOUSE BILL No. 1398

DIGEST OF HB 1398 (Updated April 7, 2015 4:18 pm - DI 120)

Citations Affected: IC 4-33; IC 6-3.1; IC 6-3.5; IC 8-22; IC 36-7.5; noncode.

Synopsis: Northwest Indiana regional development authority. Provides for direct distributions of riverboat admissions taxes and supplemental distributions to the northwest Indiana regional development authority (RDA) to satisfy the obligations of Lake County, East Chicago, Gary, and Hammond to annually transfer money to the RDA. Eliminates the requirement (in current law) that the certified public accountant who conducts the annual audit of the Gary airport authority also: (1) perform a study and evaluation of the airport authority's internal accounting controls; and (2) express an opinion regarding the audit controls. Provides that the RDA may fund projects only to the extent that the project is consistent with certain duties imposed upon the RDA or the Marquette Plan. Provides that funding a project is subject to
(Continued next page)

Effective: July 1, 2015.

Soliday, Slager, Brown C

(SENATE SPONSORS — CHARBONNEAU, ROGERS, TALLIAN,
RANDOLPH)

January 22, 2015, read first time and referred to Committee on Ways and Means.
February 16, 2015, reported — Do Pass.
February 19, 2015, read second time, ordered engrossed. Engrossed.
February 23, 2015, read third time, passed. Yeas 92, nays 3.

SENATE ACTION

February 25, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
March 26, 2015, amended, reported favorably — Do Pass.
April 7, 2015, read second time, amended, ordered engrossed.

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Digest Continued

review by the state budget committee. Establishes a goal for projects of the RDA to employ and retain a certain percentage of local residences from cities in the northwest Indiana region with a high unemployment rate. Requires the RDA to include in the RDA's annual report to the legislative council: (1) a report on the progress toward meeting the goal for the previous year; (2) obstacles to achieving the goal; and (3) the use of the northwest Indiana plan. Defines "northwest Indiana plan" as the activities of the Indiana plan for equal employment in its northwest Indiana region. Provides for the intercept of gaming tax revenue to recover unpaid transfers to the RDA occurring before July 1, 2015.



Reprinted
April 8, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1398

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.2-2014,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 6. (a) The department shall place in the state
4 general fund the tax revenue collected under this chapter.
5 (b) Except as provided by subsections (c) and (d), ~~and~~
6 ~~IC 6-3-1-20-7~~, the treasurer of state shall quarterly pay the following
7 amounts:
8 (1) Except as provided in subsection (k), one dollar (\$1) of the
9 admissions tax collected by the licensed owner for each person
10 embarking on a gambling excursion during the quarter or
11 admitted to a riverboat that has implemented flexible scheduling
12 under IC 4-33-6-21 during the quarter shall be paid to:
13 (A) the city in which the riverboat is docked, if the city:
14 (i) is located in a county having a population of more than
15 one hundred eleven thousand (111,000) but less than one

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- 1 hundred fifteen thousand (115,000); or
2 (ii) is contiguous to the Ohio River and is the largest city in
3 the county; and
4 (B) the county in which the riverboat is docked, if the
5 riverboat is not docked in a city described in clause (A).
6 (2) Except as provided in subsection (k), one dollar (\$1) of the
7 admissions tax collected by the licensed owner for each person:
8 (A) embarking on a gambling excursion during the quarter; or
9 (B) admitted to a riverboat during the quarter that has
10 implemented flexible scheduling under IC 4-33-6-21;
11 shall be paid to the county in which the riverboat is docked. In the
12 case of a county described in subdivision (1)(B), this one dollar
13 (\$1) is in addition to the one dollar (\$1) received under
14 subdivision (1)(B).
15 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
16 admissions tax collected by the licensed owner for each person:
17 (A) embarking on a gambling excursion during the quarter; or
18 (B) admitted to a riverboat during the quarter that has
19 implemented flexible scheduling under IC 4-33-6-21;
20 shall be paid to the county convention and visitors bureau or
21 promotion fund for the county in which the riverboat is docked.
22 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
23 the admissions tax collected by the licensed owner for each
24 person:
25 (A) embarking on a gambling excursion during the quarter; or
26 (B) admitted to a riverboat during a quarter that has
27 implemented flexible scheduling under IC 4-33-6-21;
28 shall be paid to the state fair commission, for use in any activity
29 that the commission is authorized to carry out under IC 15-13-3.
30 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
31 admissions tax collected by the licensed owner for each person:
32 (A) embarking on a gambling excursion during the quarter; or
33 (B) admitted to a riverboat during the quarter that has
34 implemented flexible scheduling under IC 4-33-6-21;
35 shall be paid to the division of mental health and addiction. The
36 division shall allocate at least twenty-five percent (25%) of the
37 funds derived from the admissions tax to the prevention and
38 treatment of compulsive gambling.
39 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
40 of the admissions tax collected by the licensed owner for each
41 person embarking on a gambling excursion during the quarter or
42 admitted to a riverboat during the quarter that has implemented



flexible scheduling under IC 4-33-6-21 shall be paid to the state general fund.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following:

(1) With respect to admissions taxes collected for a person admitted to the riverboat before July 1, 2010, the following amounts:

(A) Twenty-two percent (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is located. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than forty thousand (40,000) but less than forty-two thousand (42,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this item to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(ii) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this item to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(iii) Fifty-four and five-tenths percent (54.5%) shall be retained by the county where the riverboat is located for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand (2,000) but less than three thousand five



hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(C) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(D) Twenty percent (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (i) is located in the county in which the riverboat is located; and
- (ii) contains a historic hotel.

At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(E) Ten percent (10%) of the admissions tax collected during the quarter shall be paid to the Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this clause must be transferred to the Orange County convention and visitors bureau.

(F) Thirteen percent (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(G) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning



the following issues:

- (i) Job creation and retention.
- (ii) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (iii) Housing.
- (iv) Workforce training.
- (v) Health care.
- (vi) Local planning.
- (vii) Land use.
- (viii) Assistance to regional economic development groups.
- (ix) Other regional development issues as determined by the Indiana economic development corporation.

(2) With respect to admissions taxes collected for a person admitted to the riverboat after June 30, 2010, the following amounts:

(A) Twenty-nine and thirty-three hundredths percent (29.33%) to the county treasurer of Orange County. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Dubois County for distribution in the manner described in subdivision (1)(A)(i).

(ii) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Crawford County for distribution in the manner described in subdivision (1)(A)(ii).

(iii) Fifty-four and five-tenths percent (54.5%) to be retained by the county treasurer of Orange County for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Orleans. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to Orleans Community Schools.

(C) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Paoli. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to the Paoli Community School Corporation.

(D) Twenty-six and sixty-seven hundredths percent (26.67%) to be paid in equal amounts to the fiscal officers of the towns of French Lick and West Baden Springs. At least twenty



percent (20%) of the taxes received by a town under this clause must be transferred to the Springs Valley Community School Corporation.

(E) Thirty and sixty-six hundredths percent (30.66%) to the Indiana economic development corporation to be used in the manner described in subdivision (1)(G).

(d) ~~With respect~~ **This subsection applies** to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (~~400,000~~) but less than seven hundred thousand (~~700,000~~); **Lake County. Except as provided by IC 6-3.1-20-7**, the treasurer of state shall quarterly pay the following amounts:

(1) The lesser of:

(A) eight hundred seventy-five thousand dollars (\$875,000); or

(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from East Chicago during the preceding calendar quarter;

to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, East Chicago's funding obligation to the authority under IC 36-7.5-4-2.

(2) The lesser of:

(A) eight hundred seventy-five thousand dollars (\$875,000); or

(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from Gary during the preceding calendar quarter;

to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, Gary's funding obligation to the authority under IC 36-7.5-4-2.

(3) The lesser of:

(A) eight hundred seventy-five thousand dollars (\$875,000); or

(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from Hammond during the preceding calendar quarter;

to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part,



Hammond's funding obligation to the authority under
IC 36-7.5-4-2.

(4) The lesser of:

(A) eight hundred seventy-five thousand dollars
(\$875,000); or

(B) one dollar (\$1) of the admissions tax collected by the
licensed owner for each person admitted to a riverboat
operating from Lake County during the preceding
calendar quarter;

to the fiscal officer of the northwest Indiana regional
development authority to satisfy, in whole or in part, Lake
County's funding obligation to the authority under
IC 36-7.5-4-2.

(+) (5) Except as provided in subsection (k), the remainder, if
any, of:

(A) one dollar (\$1) of the admissions tax collected by the
licensed owner for each person

~~(A) embarking on a gambling excursion during the quarter; or~~
~~(B) admitted to a riverboat during the preceding calendar~~
quarter; that has implemented flexible scheduling under
IC 4-33-6-21; minus

(B) the amount distributed to the northwest Indiana
regional development authority under subdivision (1), (2),
or (3), whichever is applicable, for that calendar quarter;

shall be paid to the city in which the riverboat is docked.

(-) (6) Except as provided in subsection (k), the remainder, if
any, of:

(A) one dollar (\$1) of the admissions tax collected by the
licensed owner for each person

~~(A) embarking on a gambling excursion during the quarter; or~~
~~(B) admitted to a riverboat during the preceding calendar~~
quarter; that has implemented flexible scheduling under
IC 4-33-6-21; minus

(B) the amount distributed to the northwest Indiana
regional development authority under subdivision (4) for
that calendar quarter;

shall be paid to the county in which the riverboat is docked.

(-) (7) Except as provided in subsection (k), nine cents (\$0.09) of
the admissions tax collected by the licensed owner for each
person

~~(A) embarking on a gambling excursion during the quarter; or~~
~~(B) admitted to a riverboat during the preceding calendar~~



- 1 quarter that has implemented flexible scheduling under
 2 IC 4-33-6-21;
 3 shall be paid to the county convention and visitors bureau or
 4 promotion fund for the county in which the riverboat is docked.
 5 ~~(4)~~ (8) Except as provided in subsection (k), one cent (\$0.01) of
 6 the admissions tax collected by the licensed owner for each
 7 person
 8 (A) ~~embarking on a gambling excursion during the quarter; or~~
 9 ~~(B)~~ admitted to a riverboat during the **preceding calendar**
 10 quarter that has implemented flexible scheduling under
 11 IC 4-33-6-21;
 12 shall be paid to the northwest Indiana law enforcement training
 13 center.
 14 ~~(5)~~ (9) Except as provided in subsection (k), fifteen cents (\$0.15)
 15 of the admissions tax collected by the licensed owner for each
 16 person
 17 (A) ~~embarking on a gambling excursion during the quarter; or~~
 18 ~~(B)~~ admitted to a riverboat during ~~a~~ the **preceding calendar**
 19 quarter that has implemented flexible scheduling under
 20 IC 4-33-6-21;
 21 shall be paid to the state fair commission for use in any activity
 22 that the commission is authorized to carry out under IC 15-13-3.
 23 ~~(6)~~ (10) Except as provided in subsection (k), ten cents (\$0.10) of
 24 the admissions tax collected by the licensed owner for each
 25 person
 26 (A) ~~embarking on a gambling excursion during the quarter; or~~
 27 ~~(B)~~ admitted to a riverboat during the **preceding calendar**
 28 quarter that has implemented flexible scheduling under
 29 IC 4-33-6-21;
 30 shall be paid to the division of mental health and addiction. The
 31 division shall allocate at least twenty-five percent (25%) of the
 32 funds derived from the admissions tax to the prevention and
 33 treatment of compulsive gambling.
 34 ~~(7)~~ (11) Except as provided in subsection (k), Sixty-five cents
 35 (\$0.65) of the admissions tax collected by the licensed owner for
 36 each person ~~embarking on a gambling excursion during the~~
 37 ~~quarter or~~ admitted to a riverboat during the **preceding calendar**
 38 quarter that has implemented flexible scheduling under
 39 IC 4-33-6-21 shall be paid to the state general fund.
 40 (e) Money paid to a unit of local government under subsection (b),
 41 (c), or (d):
 42 (1) must be paid to the fiscal officer of the unit and may be



deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or ~~(d)(3)~~ **(d)(7)** shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and ~~(d)(6)~~ **(d)(10)**:

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b)(1) through (b)(5).

(2) Each entity receiving money under subsection ~~(d)(1)~~ **(d)(5)** through ~~(d)(2)~~ **(d)(6)**.

(3) Each entity receiving money under subsection ~~(d)(5)~~ **(d)(9)** through ~~(d)(6)~~ **(d)(10)**.

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection



1 is the base year revenue for each entity subject to this subsection. The
 2 treasurer of state shall certify the base year revenue determined under
 3 this subsection to each entity subject to this subsection.

4 (i) This subsection applies to an entity receiving money under
 5 subsection ~~(d)(3)~~ **(d)(7)** or ~~(d)(4)~~ **(d)(8)**. The treasurer of state shall
 6 determine the total amount of money paid by the treasurer of state to
 7 the entity described in subsection ~~(d)(3)~~ **(d)(7)** during state fiscal year
 8 2002. The amount determined under this subsection multiplied by
 9 nine-tenths (0.9) is the base year revenue for the entity described in
 10 subsection ~~(d)(3)~~ **(d)(7)**. The amount determined under this subsection
 11 multiplied by one-tenth (0.1) is the base year revenue for the entity
 12 described in subsection ~~(d)(4)~~ **(d)(8)**. The treasurer of state shall
 13 certify the base year revenue determined under this subsection to each
 14 entity subject to this subsection.

15 (j) This subsection does not apply to an entity receiving money
 16 under subsection (c). The total amount of money distributed to an entity
 17 under this section during a state fiscal year may not exceed the entity's
 18 base year revenue as determined under subsection (h) or (i). **For**
 19 **purposes of this section, the treasurer of state shall treat any**
 20 **amounts distributed under subsection (d) to the northwest Indiana**
 21 **regional development authority as amounts constructively received**
 22 **by East Chicago, Gary, Hammond, and Lake County, as**
 23 **appropriate.** If the treasurer of state determines that the total amount
 24 of money:

25 **(1) distributed to an entity; and**

26 **(2) constructively received by an entity;**

27 under this section during a state fiscal year is less than the entity's base
 28 year revenue, the treasurer of state shall make a supplemental
 29 distribution to the entity under IC 4-33-13-5.

30 (k) This subsection does not apply to an entity receiving money
 31 under subsection (c). The treasurer of state shall pay that part of the
 32 riverboat admissions taxes that:

33 (1) exceeds a particular entity's base year revenue; and

34 (2) would otherwise be due to the entity under this section;

35 to the state general fund instead of to the entity.

36 SECTION 2. IC 4-33-12.5-6, AS AMENDED BY P.L.205-2013,
 37 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2015]: Sec. 6. (a) The county described in IC 4-33-12-6(d)
 39 shall distribute twenty-five percent (25%) of the:

40 (1) admissions tax revenue received by the county under

41 ~~IC 4-33-12-6(d)(2);~~ **IC 4-33-12-6(d)(6);** and

42 (2) supplemental distributions received under IC 4-33-13-5;



1 to the eligible municipalities.

2 (b) The amount that shall be distributed by the county to each
3 eligible municipality under subsection (a) is based on the eligible
4 municipality's proportionate share of the total population of all eligible
5 municipalities. The most current certified census information available
6 shall be used to determine an eligible municipality's proportionate
7 share under this subsection. The determination of proportionate shares
8 under this subsection shall be modified under the following conditions:

9 (1) The certification from any decennial census completed by the
10 United States Bureau of the Census.

11 (2) Submission by one (1) or more eligible municipalities of a
12 certified special census commissioned by an eligible municipality
13 and performed by the United States Bureau of the Census.

14 (c) If proportionate shares are modified under subsection (b),
15 distribution to eligible municipalities shall change with the:

16 (1) payments beginning April 1 of the year following the
17 certification of a special census under subsection (b)(2); and

18 (2) the next quarterly payment following the certification of a
19 decennial census under subsection (b)(1).

20 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.2-2014,
21 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2015]: Sec. 5. (a) This subsection does not apply to tax
23 revenue remitted by an operating agent operating a riverboat in a
24 historic hotel district. After funds are appropriated under section 4 of
25 this chapter, each month the treasurer of state shall distribute the tax
26 revenue deposited in the state gaming fund under this chapter to the
27 following:

28 (1) The first thirty-three million dollars (\$33,000,000) of tax
29 revenues collected under this chapter shall be set aside for
30 revenue sharing under subsection (e).

31 (2) Subject to subsection (c), twenty-five percent (25%) of the
32 remaining tax revenue remitted by each licensed owner shall be
33 paid:

34 (A) to the city that is designated as the home dock of the
35 riverboat from which the tax revenue was collected, in the case
36 of:

37 (i) a city described in IC 4-33-12-6(b)(1)(A); or

38 (ii) a city located in a county having a population of more
39 than four hundred thousand (400,000) but less than seven
40 hundred thousand (700,000); or

41 (B) to the county that is designated as the home dock of the
42 riverboat from which the tax revenue was collected, in the case



- 1 of a riverboat whose home dock is not in a city described in
 2 clause (A).
- 3 (3) Subject to subsection (d), the remainder of the tax revenue
 4 remitted by each licensed owner shall be paid to the state general
 5 fund. In each state fiscal year, the treasurer of state shall make the
 6 transfer required by this subdivision not later than the last
 7 business day of the month in which the tax revenue is remitted to
 8 the state for deposit in the state gaming fund. However, if tax
 9 revenue is received by the state on the last business day in a
 10 month, the treasurer of state may transfer the tax revenue to the
 11 state general fund in the immediately following month.
- 12 (b) This subsection applies only to tax revenue remitted by an
 13 operating agent operating a riverboat in a historic hotel district. After
 14 funds are appropriated under section 4 of this chapter, each month the
 15 treasurer of state shall distribute the tax revenue remitted by the
 16 operating agent under this chapter as follows:
- 17 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the
 18 state general fund.
- 19 (2) Nineteen percent (19%) shall be paid to the West Baden
 20 Springs historic hotel preservation and maintenance fund
 21 established by IC 36-7-11.5-11(b). However, at any time the
 22 balance in that fund exceeds twenty million dollars
 23 (\$20,000,000), the amount described in this subdivision shall be
 24 paid to the state general fund.
- 25 (3) Eight percent (8%) shall be paid to the Orange County
 26 development commission established under IC 36-7-11.5.
- 27 (4) Sixteen percent (16%) shall be paid in equal amounts to each
 28 town that is located in the county in which the riverboat is located
 29 and contains a historic hotel. The following apply to taxes
 30 received by a town under this subdivision:
- 31 (A) At least twenty-five percent (25%) of the taxes must be
 32 transferred to the school corporation in which the town is
 33 located.
- 34 (B) At least twelve and five-tenths percent (12.5%) of the
 35 taxes imposed on adjusted gross receipts received after June
 36 30, 2010, must be transferred to the Orange County
 37 development commission established by IC 36-7-11.5-3.5.
- 38 (5) Nine percent (9%) shall be paid to the county treasurer of the
 39 county in which the riverboat is located. The county treasurer
 40 shall distribute the money received under this subdivision as
 41 follows:
- 42 (A) Twenty-two and twenty-five hundredths percent (22.25%)



- 1 shall be quarterly distributed to the county treasurer of a
 2 county having a population of more than forty thousand
 3 (40,000) but less than forty-two thousand (42,000) for
 4 appropriation by the county fiscal body after receiving a
 5 recommendation from the county executive. The county fiscal
 6 body for the receiving county shall provide for the distribution
 7 of the money received under this clause to one (1) or more
 8 taxing units (as defined in IC 6-1.1-1-21) in the county under
 9 a formula established by the county fiscal body after receiving
 10 a recommendation from the county executive.
- 11 (B) Twenty-two and twenty-five hundredths percent (22.25%)
 12 shall be quarterly distributed to the county treasurer of a
 13 county having a population of more than ten thousand seven
 14 hundred (10,700) but less than twelve thousand (12,000) for
 15 appropriation by the county fiscal body after receiving a
 16 recommendation from the county executive. The county fiscal
 17 body for the receiving county shall provide for the distribution
 18 of the money received under this clause to one (1) or more
 19 taxing units (as defined in IC 6-1.1-1-21) in the county under
 20 a formula established by the county fiscal body after receiving
 21 a recommendation from the county executive.
- 22 (C) Fifty-five and five-tenths percent (55.5%) shall be retained
 23 by the county in which the riverboat is located for
 24 appropriation by the county fiscal body after receiving a
 25 recommendation from the county executive.
- 26 (6) Five percent (5%) shall be paid to a town having a population
 27 of more than two thousand (2,000) but less than three thousand
 28 five hundred (3,500) located in a county having a population of
 29 more than nineteen thousand five hundred (19,500) but less than
 30 twenty thousand (20,000). At least forty percent (40%) of the
 31 taxes received by a town under this subdivision must be
 32 transferred to the school corporation in which the town is located.
- 33 (7) Five percent (5%) shall be paid to a town having a population
 34 of more than three thousand five hundred (3,500) located in a
 35 county having a population of more than nineteen thousand five
 36 hundred (19,500) but less than twenty thousand (20,000). At least
 37 forty percent (40%) of the taxes received by a town under this
 38 subdivision must be transferred to the school corporation in which
 39 the town is located.
- 40 (8) Five-tenths percent (0.5%) of the taxes imposed on adjusted
 41 gross receipts received after June 30, 2010, shall be paid to the
 42 Indiana economic development corporation established by



1 IC 5-28-3-1.

2 (c) For each city and county receiving money under subsection
3 (a)(2), the treasurer of state shall determine the total amount of money
4 paid by the treasurer of state to the city or county during the state fiscal
5 year 2002. The amount determined is the base year revenue for the city
6 or county. The treasurer of state shall certify the base year revenue
7 determined under this subsection to the city or county. The total
8 amount of money distributed to a city or county under this section
9 during a state fiscal year may not exceed the entity's base year revenue.
10 For each state fiscal year, the treasurer of state shall pay that part of the
11 riverboat wagering taxes that:

- 12 (1) exceeds a particular city's or county's base year revenue; and
- 13 (2) would otherwise be due to the city or county under this
14 section;

15 to the state general fund instead of to the city or county.

16 (d) Each state fiscal year the treasurer of state shall transfer from the
17 tax revenue remitted to the state general fund under subsection (a)(3)
18 to the build Indiana fund an amount that when added to the following
19 may not exceed two hundred fifty million dollars (\$250,000,000):

- 20 (1) Surplus lottery revenues under IC 4-30-17-3.
- 21 (2) Surplus revenue from the charity gaming enforcement fund
22 under IC 4-32.2-7-7.
- 23 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

24 The treasurer of state shall make transfers on a monthly basis as needed
25 to meet the obligations of the build Indiana fund. If in any state fiscal
26 year insufficient money is transferred to the state general fund under
27 subsection (a)(3) to comply with this subsection, the treasurer of state
28 shall reduce the amount transferred to the build Indiana fund to the
29 amount available in the state general fund from the transfers under
30 subsection (a)(3) for the state fiscal year.

31 (e) Before August 15 of each year, the treasurer of state shall
32 distribute the wagering taxes set aside for revenue sharing under
33 subsection (a)(1) to the county treasurer of each county that does not
34 have a riverboat according to the ratio that the county's population
35 bears to the total population of the counties that do not have a
36 riverboat. Except as provided in subsection (h), the county auditor shall
37 distribute the money received by the county under this subsection as
38 follows:

- 39 (1) To each city located in the county according to the ratio the
40 city's population bears to the total population of the county.
- 41 (2) To each town located in the county according to the ratio the
42 town's population bears to the total population of the county.



(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity **and constructively received by the entity** during the preceding state fiscal year under IC 4-33-12-6; plus

(B) **any amounts the amount of any admissions taxes** deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:



(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies to a supplemental distribution made after June 30, 2013. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty-eight million dollars (\$48,000,000). If the total amount determined under subsection (g) exceeds forty-eight million dollars (\$48,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 bears to the total amount distributed under IC 4-33-12-6 to all entities receiving a supplemental distribution.

(j) This subsection applies to a supplemental distribution, if any, payable to Lake County, Hammond, Gary, or East Chicago under subsections (g) and (i). Beginning in September 2016, the treasurer of state shall, after making any deductions from the supplemental distribution required by IC 6-3.1-20-7, deduct from the remainder of the supplemental distribution otherwise payable to the unit under this section the lesser of:

(1) the remaining amount of the supplemental distribution; or

(2) the difference, if any, between:

(A) three million five hundred thousand dollars (\$3,500,000); minus

(B) the amount of admissions taxes constructively received by the unit in the previous state fiscal year.

The treasurer of state shall distribute the amounts deducted under this subsection to the northwest Indiana redevelopment authority established under IC 36-7.5-2-1 for deposit in the development authority fund established under IC 36-7.5-4-1.

SECTION 4. IC 6-3.1-20-7, AS AMENDED BY P.L.166-2014, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) The department shall before July 1 of each year determine the greater of:

(1) eight million five hundred thousand dollars (\$8,500,000); or

(2) the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) Except as provided in subsection (d), one-half (1/2) of the



amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under ~~IC 4-33-12-6(d)(2)~~; **IC 4-33-12-6(d)(6) and the supplemental distribution otherwise payable to the county under IC 4-33-13-5(g);** and

(2) paid instead to the state general fund.

(c) Except as provided in subsection (d), one-sixth (1/6) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under ~~IC 4-33-12-6(d)(1)~~ **IC 4-33-12-6(d)(5) and the supplemental distribution otherwise payable under IC 4-33-13-5(g)** to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.

(d) If the amount determined by the department under subsection (a)(2) is less than eight million five hundred thousand dollars (\$8,500,000), the difference of:

(1) eight million five hundred thousand dollars (\$8,500,000); minus

(2) the amount determined by the department under subsection (a)(2);

shall be paid to the northwest Indiana regional development authority established by IC 36-7.5-2-1 instead of the state general fund. Any amounts paid under this subsection shall be used by the northwest Indiana regional development authority only to establish or improve public mass rail transportation systems in Lake County.

SECTION 5. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) As used in this subsection, "homestead" means a homestead that



is eligible for a standard deduction under IC 6-1.1-12-37. Except as provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) (**other than Hammond, Gary, East Chicago, and Lake County**) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in



Porter County, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. If Porter County ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county. In Porter County, all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5). (5) This subdivision applies only in Porter County. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(B) The homestead credits shall be treated for all purposes as property tax levies.

(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and



- 1 credits that apply to the amount owed under IC 6-1.1.
 2 (D) The department of local government finance shall
 3 determine the homestead credit percentage for a particular
 4 year based on the amount of county economic development
 5 income tax revenue that will be used under this subdivision to
 6 provide homestead credits in that year.
 7 (6) This subdivision applies only in Lake County. The county or
 8 a city or town in the county may use county economic
 9 development income tax revenue to provide homestead credits in
 10 the county, city, or town. The following apply to homestead
 11 credits provided under this subdivision:
 12 (A) The county, city, or town fiscal body must adopt an
 13 ordinance authorizing the homestead credits. The ordinance
 14 must specify the amount of county economic development
 15 income tax revenue that will be used to provide homestead
 16 credits in the following year.
 17 (B) The county, city, or town fiscal body that adopts an
 18 ordinance under this subdivision must forward a copy of the
 19 ordinance to the county auditor and the department of local
 20 government finance not more than thirty (30) days after the
 21 ordinance is adopted.
 22 (C) The homestead credits must be applied uniformly to
 23 increase the homestead credit under IC 6-1.1-20.9 (repealed)
 24 for homesteads in the county, city, or town (for property taxes
 25 first due and payable before January 1, 2009) or to provide a
 26 homestead credit for homesteads in the county, city, or town
 27 (for property taxes first due and payable after December 31,
 28 2008).
 29 (D) The homestead credits shall be treated for all purposes as
 30 property tax levies.
 31 (E) The homestead credits shall be applied to the net property
 32 taxes due on the homestead after the application of all other
 33 assessed value deductions or property tax deductions and
 34 credits that apply to the amount owed under IC 6-1.1.
 35 (F) The department of local government finance shall
 36 determine the homestead credit percentage for a particular
 37 year based on the amount of county economic development
 38 income tax revenue that will be used under this subdivision to
 39 provide homestead credits in that year.
 40 (7) For a regional venture capital fund established under section
 41 13.5 of this chapter or a local venture capital fund established
 42 under section 13.6 of this chapter.



- (8) This subdivision applies only to LaPorte County, if:
- (A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and
 - (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (9).

(9) This subdivision applies only to LaPorte County. All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

- (A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.
- (B) The homestead credits shall be treated for all purposes as property tax levies.
- (C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other



assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, the county or a city or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.



SECTION 6. IC 8-22-3-4.3, AS AMENDED BY P.L.230-2013,
SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2015]: Sec. 4.3. (a) This section applies only to the board of
an airport authority that:

- (1) is not located in a county containing a consolidated city;
- (2) is established by a city; and
- (3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a)
consists of members appointed as follows:

(1) Four (4) members appointed by the executive of the city in
which the airport is located. Not more than two (2) members
appointed under this subdivision may be members of the same
political party.

(2) One (1) member appointed by the executive of the county in
which the airport is located.

(3) One (1) member appointed by the executive of the county
(other than the county in which the airport is located) that is
closest geographically to the airport.

(4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until
the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the
member that vacated the board shall appoint an individual to serve for
the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure
provided for the impeachment of county officers.

(g) The board member appointed under subsection (b)(4) serves as
the president of the board.

(h) On September 1, 2013, the term of each member serving on the
board of the airport authority originally established by the city of Gary
is terminated. The appointing authorities required to make
appointments to the board under this section shall make new
appointments to the board as soon as possible after August 31, 2013.

(i) Each person appointed by an appointing authority under
subsection (b) must have knowledge of and at least five (5) years
professional work experience in at least one (1) of the following:

- (1) Aviation management at an executive level.
- (2) Regional economic development.
- (3) Business or finance.

(j) A person appointed by an appointing authority under subsection
(b) may not personally have, or be employed by or have an ownership



1 interest in an entity that has, a significant contractual or business
2 relationship with the airport authority.

3 (k) The board of an airport authority described in subsection (a)
4 shall contract with a certified public accountant for an annual financial
5 audit of the airport authority. The certified public accountant may not
6 be selected without review of the accountant's proposal and approval
7 of the accountant by the state board of accounts. The certified public
8 accountant may not have a significant financial interest, as determined
9 by the board of the airport authority, in a project, facility, or service
10 owned by, funded by, or leased by or to the airport authority. The
11 certified public accountant shall present the annual financial audit not
12 later than four (4) months after the end of the airport authority's fiscal
13 year. ~~The certified public accountant shall also perform a study and~~
14 ~~evaluation of the airport authority's internal accounting controls and~~
15 ~~shall express an opinion on the controls that were in effect during the~~
16 ~~audit period.~~ The board of the airport authority shall pay the cost of the
17 annual financial audit. In addition, the state board of accounts may at
18 any time conduct an audit of any phase of the operations of the airport
19 authority. The airport authority shall pay the cost of any audit by the
20 state board of accounts.

21 (l) The board of the airport authority shall, not later than four (4)
22 months after the end of the airport authority's fiscal year, submit an
23 annual report of the board's activities for the preceding fiscal year to:

- 24 (1) the budget agency, for review by the budget committee; and
- 25 (2) the legislative council.

26 An annual report submitted under this section to the legislative council
27 must be in an electronic format under IC 5-14-6. The annual report
28 must set forth a complete operating and financial statement of the
29 airport authority for the airport authority's preceding fiscal year.

30 SECTION 7. IC 36-7.5-1-10, AS ADDED BY P.L.214-2005,
31 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2015]: Sec. 10. "Economic development project" means the
33 following:

- 34 (1) An economic development project described in
35 ~~IC 6-3.5-7-13.1(c).~~ **any of the following:**

36 (A) IC 36-7.5-2-1(2) or IC 36-7.5-2-1(3).

37 (B) IC 36-7.5-3-1(2) or IC 36-7.5-3-1(4).

38 (C) **The Marquette Plan.**

- 39 (2) A dredging, sediment removal, or channel improvement
40 project.

41 SECTION 8. IC 36-7.5-1-12.7 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2015]: **Sec. 12.7. "Marquette Plan" refers to the proposal for lakeshore reinvestment prepared for the northwest Indiana regional planning commission in February 2008.**

SECTION 9. IC 36-7.5-2-1, AS AMENDED BY P.L.197-2011, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The northwest Indiana regional development authority is established as a separate body corporate and politic to carry out the purposes of this article by:

(1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article **in accordance with IC 36-7.5-3-1.5;**

(2) funding and developing the Gary/Chicago International Airport expansion and other airport authority projects, commuter transportation district and other rail projects and services, regional bus authority projects and services, regional transportation authority projects and services, Lake Michigan marina and shoreline development projects and activities, and economic development projects in northwestern Indiana; and

(3) assisting with the funding of infrastructure needed to sustain development of an intermodal facility in northwestern Indiana.

SECTION 10. IC 36-7.5-2-6, AS AMENDED BY P.L.47-2006, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The development board shall meet at least quarterly.

(b) The chair of the development board or any two (2) members of the development board may call a special meeting of the development board.

(c) Five (5) members of the development board constitute a quorum. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, six (6) members of the development board constitute a quorum.

(d) The affirmative votes of at least five (5) members of the development board are necessary to authorize any action of the development authority. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, the affirmative votes of at least six (6) members of the development board are necessary to authorize any action of the development authority.

(e) Notwithstanding any other provision of this article, the minimum number of affirmative votes required under subsection (d) to take any



of the following actions must include the affirmative vote of the member appointed by the governor who is not nominated under section 3(d) or 3(f) of this chapter:

- (1) Making loans, loan guarantees, or grants or providing any other funding or financial assistance for projects.
- (2) Acquiring or condemning property.
- (3) Entering into contracts.
- (4) Employing an executive director or any consultants or technical experts.
- (5) Issuing bonds or entering into a lease of a project.

(f) A member of the board may not:

- (1) designate another individual to attend a board meeting on behalf of the member in the member's absence; or**
- (2) allow another member of the board to cast a proxy vote on behalf of the member in the member's temporary absence from a meeting.**

SECTION 11. IC 36-7.5-3-1, AS AMENDED BY P.L.197-2011, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The development authority shall do the following:

- (1) **Subject to section 1.5 of this chapter**, assist in the coordination of local efforts concerning projects.
- (2) Assist a commuter transportation district, an airport authority, the Lake Michigan marina and shoreline development commission, a regional transportation authority, and a regional bus authority in coordinating regional transportation and economic development efforts.
- (3) **Subject to section 1.5 of this chapter**, fund projects as provided in this article.
- (4) Fund bus services (including fixed route services and flexible or demand-responsive services) and projects related to bus services and bus terminals, stations, or facilities.

SECTION 12. IC 36-7.5-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 1.5. (a) This section applies to revenue received by the authority to the extent that the revenue has not been pledged or otherwise obligated to pay bonds or leases entered into before July 1, 2015.**

(b) The authority may expend money received under this article to fund economic development projects only to the extent that:

- (1) the development board finds that the economic development project is consistent with:**



- 1 (A) a duty imposed upon the development authority under
 2 section 1(2) or 1(4) of this chapter; or
 3 (B) the Marquette Plan; and
 4 (2) funding the project is reviewed by the state budget
 5 committee under subsection (c).
 6 (c) The development board shall submit to the state budget
 7 committee for review and comment any proposal to fund an
 8 economic development project under this article. The state budget
 9 committee shall review any proposal received under this subsection
 10 and may request that the authority appear at a public meeting of
 11 the state budget committee concerning the funding proposal.
 12 SECTION 13. IC 36-7.5-3-5.4 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2015]: Sec. 5.4. (a) For purposes of this
 15 section, "northwest Indiana plan" refers to the activities of the
 16 Indiana plan for equal employment in its northwest Indiana region.
 17 (b) Subject to subsection (c), the development authority shall set
 18 a goal to achieve employment and retention of employees from
 19 certain northwest Indiana cities for work on development
 20 authority projects. The goal must be to attain, by not later than
 21 January 1, 2020, a workforce for each project that consists of at
 22 least twenty percent (20%) of employees who are individuals who
 23 reside in cities that:
 24 (1) are within the boundaries of the development authority;
 25 and
 26 (2) have an unemployment rate that exceeds the state
 27 unemployment rate by more than twenty percent (20%).
 28 (c) The goal set forth in subsection (b) applies:
 29 (1) to development authority investments of state and local
 30 funds on capital projects that require construction or
 31 demolition; and
 32 (2) unless attainment of the goal is inconsistent with any
 33 federal or state law or regulation.
 34 (d) The development authority shall before November 1 of each
 35 year issue a report to the legislative council, the budget committee,
 36 and the governor concerning the operations and activities of the
 37 development authority during the preceding state fiscal year as
 38 indicated in section 3 of this chapter. In addition, the development
 39 authority shall report on progress toward meeting the goal set
 40 forth in subsection (b) for the previous year and report any
 41 obstacles to achieving the goal set forth in subsection (b) and the
 42 use of the northwest Indiana plan in the report to the legislative



council. The report to the legislative council must be in an electronic format under IC 5-14-6.

SECTION 14. IC 36-7.5-4-2, AS AMENDED BY P.L.119-2012, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) Except as provided in ~~subsection~~ **subsections (b) and (d)**, beginning in 2006 the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of county economic development income tax transferred under IC 6-3.5-7-13.1(b)(4) is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

(1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;

(2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and

(3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

Beginning in 2007, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars (\$2,625,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. Beginning in 2007, the fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars (\$875,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter.

(c) **This subsection does not apply to Lake County, Hammond, Gary, or East Chicago.** The following apply to the **remaining** transfers required by subsections (a) and (b):

(1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.



(2) Except as provided in subdivision (3), after December 31, 2005, each fiscal officer shall transfer eight hundred seventy-five thousand dollars (\$875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.

(3) After December 31, 2006, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars (\$656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars (\$218,750) to the development authority fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.

(B) Any county economic development income tax revenue received under IC 6-3.5-7 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

(d) This subsection applies only to Lake County, Hammond, Gary, and East Chicago. The obligations of each city and the county under subsection (a) are satisfied by the distributions made by the auditor of state on behalf of each unit under IC 4-33-12-6(d) and IC 4-33-13-5(j). However, if the total amount distributed under IC 4-33 on behalf of a unit with respect to a particular state fiscal year is less than the amount required by subsection (a), the fiscal officer of the unit shall transfer the amount of the shortfall to the



1 authority from any source of revenue available to the unit other
 2 than property taxes. The auditor of state shall certify the amount
 3 of any shortfall to the fiscal officer of the unit after making the
 4 distribution required by IC 4-33-13-5(j) on behalf of the unit with
 5 respect to a particular state fiscal year.

6 SECTION 15. IC 36-7.5-4-16, AS ADDED BY P.L.214-2005,
 7 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2015]: Sec. 16. (a) This section applies if:

- 9 (1) a city or county described in IC 36-7.5-2-3 fails to make a
 10 transfer or a part of a transfer required by section 2 of this
 11 chapter. ~~and~~
 12 (2) ~~the development authority has bonds or other debt or lease~~
 13 ~~obligations outstanding.~~

14 (b) The treasurer of state shall do the following:

- 15 (1) Deduct from amounts otherwise payable to the city or ~~town~~
 16 ~~county~~ under ~~IC 4-33-12~~ or IC 4-33-13 an amount equal to the
 17 amount of the transfer or part of the transfer under section 2 of
 18 this chapter that the city or county failed to make.
 19 (2) Pay the amount deducted under subdivision (1) to the
 20 development authority.

21 SECTION 16. IC 36-7.5-4-16.5 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2015]: Sec. 16.5. (a) This section applies if the
 24 development board does the following:

- 25 (1) Finds that a city or county described in IC 36-7.5-2-3 has,
 26 at any time before July 1, 2015, failed to make a transfer or a
 27 part of a transfer required by section 2 of this chapter.
 28 (2) Finds that the obligation of the city or county to pay the
 29 unpaid amount of the transfer or transfers has not been
 30 satisfied under section 16 of this chapter or by any other
 31 means.
 32 (3) Certifies to the treasurer of state the total amount of the
 33 arrearage attributable to the failure of the city or county to
 34 make a transfer or a part of a transfer required by section 2
 35 of this chapter.

36 (b) The treasurer of state shall do the following:

- 37 (1) Deduct from amounts otherwise payable to the city under
 38 IC 4-33-13-5(a) or to the county under IC 4-33-12-6 an
 39 amount equal to:
 40 (A) the total amount certified under subsection (a)(1); plus
 41 (B) interest calculated in the same manner that interest on
 42 delinquent taxes is calculated under IC 6-8.1-10-1.



1 **(2) Pay the amount deducted under subdivision (1) to the**
 2 **development authority.**
 3 SECTION 17. [EFFECTIVE JULY 1, 2015] (a) IC 4-33-12-6,
 4 IC 4-33-12.5-6, IC 4-33-13-5, and IC 6-3.1-20-7, all as amended by
 5 this act, apply to:
 6 (1) riverboat admissions tax revenue collected with respect to
 7 persons who are admitted to a riverboat after June 30, 2015;
 8 and
 9 (2) riverboat wagering tax revenue collected with respect to
 10 wagers made after June 30, 2015.
 11 (b) IC 6-3.5-7-13.1 and IC 36-7.5-4-2, both as amended by this
 12 act, apply to a state fiscal year beginning after June 30, 2015.
 13 (c) This SECTION expires July 1, 2016.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1398, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1398 as introduced.)

BROWN T

Committee Vote: Yeas 16, Nays 4

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1398, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 22, after line 42, begin a new paragraph and insert:

"SECTION 6. IC 8-22-3-4.3, AS AMENDED BY P.L.230-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

- (1) is not located in a county containing a consolidated city;
- (2) is established by a city; and
- (3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

- (1) Four (4) members appointed by the executive of the city in which the airport is located. Not more than two (2) members appointed under this subdivision may be members of the same political party.
- (2) One (1) member appointed by the executive of the county in which the airport is located.
- (3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.
- (4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for

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the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

(g) The board member appointed under subsection (b)(4) serves as the president of the board.

(h) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.

(i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:

- (1) Aviation management at an executive level.
- (2) Regional economic development.
- (3) Business or finance.

(j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.

(k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. ~~The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period.~~ The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(l) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:



- (1) the budget agency, for review by the budget committee; and
- (2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year."

Page 23, line 16, after "February" delete ",".

Page 23, delete lines 36 through 42.

Delete pages 24 through 25.

Page 26, delete lines 1 through 27.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1398 as printed February 17, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1398 be amended to read as follows:

Page 27, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 13. IC 36-7.5-3-5.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 5.4. (a) For purposes of this section, "northwest Indiana plan" refers to the activities of the Indiana plan for equal employment in its northwest Indiana region.**

(b) Subject to subsection (c), the development authority shall set a goal to achieve employment and retention of employees from certain northwest Indiana cities for work on development authority projects. The goal must be to attain, by not later than January 1, 2020, a workforce for each project that consists of at least twenty percent (20%) of employees who are individuals who reside in cities that:

(1) are within the boundaries of the development authority; and

(2) have an unemployment rate that exceeds the state unemployment rate by more than twenty percent (20%).

(c) The goal set forth in subsection (b) applies:

(1) to development authority investments of state and local

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funds on capital projects that require construction or demolition; and

(2) unless attainment of the goal is inconsistent with any federal or state law or regulation.

(d) The development authority shall before November 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development authority during the preceding state fiscal year as indicated in section 3 of this chapter. In addition, the development authority shall report on progress toward meeting the goal set forth in subsection (b) for the previous year and report any obstacles to achieving the goal set forth in subsection (b) and the use of the northwest Indiana plan in the report to the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1398 as printed March 27, 2015.)

ROGERS

